



Ball State University

State Budget Committee Presentation

November 14, 2012



Ball State:

- ❑ **Makes a positive impact in Indiana**
 - ❑ Understands, and is acting on, the state's priorities
 - ❑ Has seen significant cuts over the past several biennia
 - ❑ Is concerned about the long-term impact of the current funding approach

and...

Needs your help



A Distinctive Option For Hoosiers

Ball State University: An increasingly **selective institution**, focused primarily on a **high-quality undergraduate** experience for **Hoosiers**



Employers Value Immersive Learning

- **Hart Research Associates 2010 Study** – According to employers, the top two emerging educational practices that prepare college students for employment success:
 - **A significant project** that demonstrates their depth of knowledge.
 - An internship or community based field **project to connect classroom learning with real world experience.**

- **Battelle 2012 Study**
 - **Indiana's education issue is not quantity** – Indiana places in the upper half of states both in college entry and completion and confers baccalaureate degrees at a rate higher than the national average.
 - Experience matters; internships and **real world learning experiences create a better work-ready college graduate.**



Ball State's Quality Impacts Indiana

- ❑ **Immersive Learning** cited by peers in national publications
 - Often leads to career decisions and employment offers
- ❑ An **Entrepreneurial Focus** for all students
 - Indiana's dependency on entrepreneurial businesses
- ❑ Recognized as a national leader in **New and Emerging Media**
 - A growing part of the Indiana economy

U.S. News & World Report ranks Ball State **8th among "up-and-coming"** colleges and universities for 2011



Impacting INdiana Businesses



A student team conducted research and **delivered a marketing plan** for the division's **national expansion** into a new testing service line.

"Utilizing these talented students is **a great way to accelerate our progress** in the Food & Micro Division." President – Environmental and Microbiology Division



A student team **designed and created an online** native plant specification **tool to aid in improving** the success rate of ecological restoration projects.

"I wanted to take a moment to share with you **the tremendous value** this program is delivering." Vice president – Strategy & Marketing



PROJECTIONE.com



An Indiana **design and fabrication studio** started by **recent graduates**, PROJECTIONE began as a collaborative architectural thesis **at Ball State University**.

Riley Sunrise: "Our installation for Riley Hospital for Children".

Ball State's Center for Media Design has worked with ExactTarget on several projects. Recently, the company asked Ball State to **develop and deliver training** for their employees . One more way BSU is **helping attract and develop talent** in one of **Indiana's growing industries...**

Over 135 immersive learning projects had a **business as their partner**

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Quality Experiences Lead to Employment



McGraw Hill

Hunt Construction



accenture



Accenture



Innovation Connector



Orange

Harpo Productions



Turner Sports



Envisage

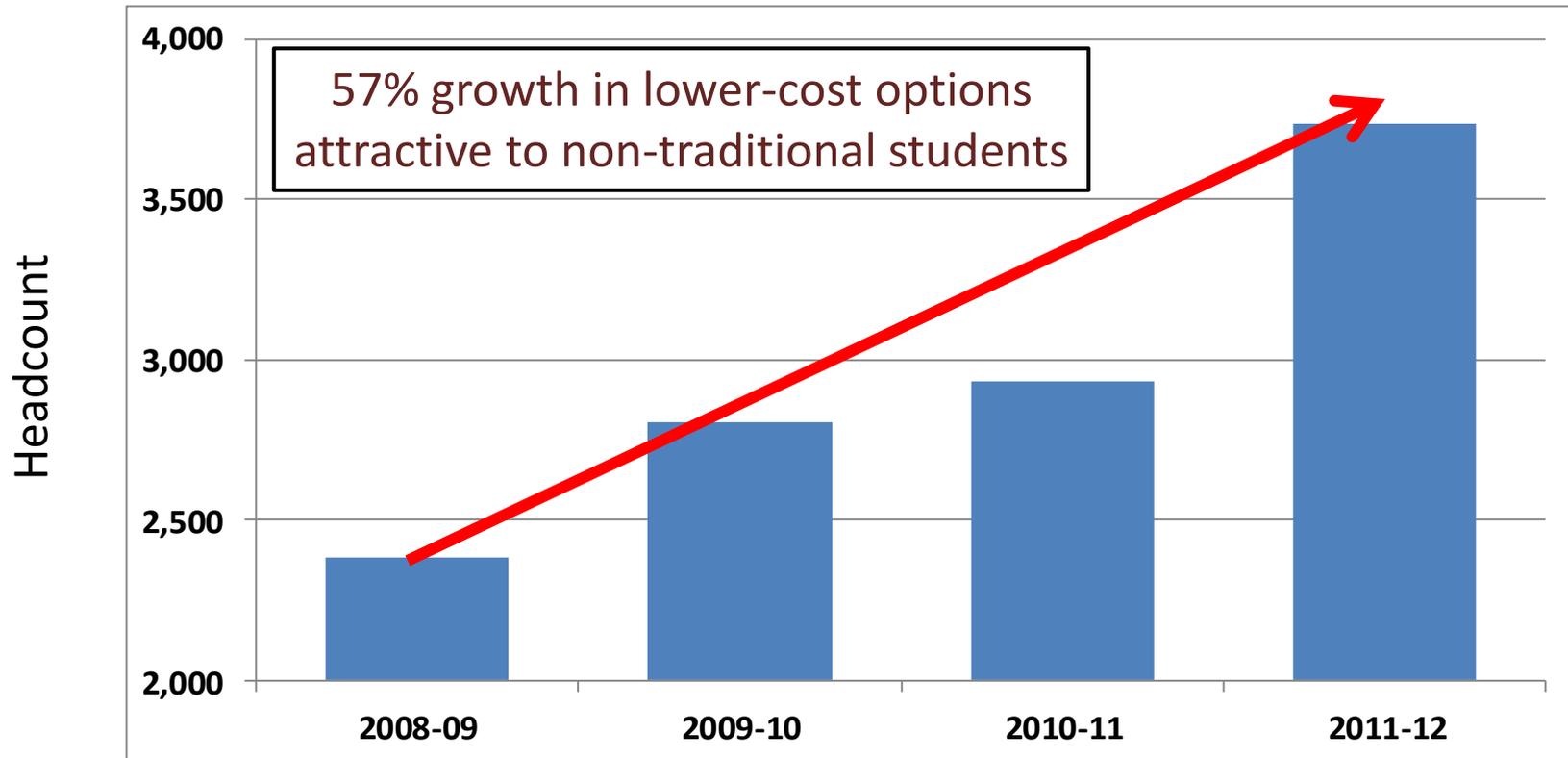


Gannett



Alternatives that Impact Indiana

Growth in off-campus Education



4 top 20 rankings in *U.S. News & World Report's* online program rankings, more than any other in Indiana

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Impacting **IN**dividuals

- ❑ **3 Rhodes finalists** and **50** other national scholarships and fellowships since 2006
- ❑ **54 nationally ranked** or recognized **academic** programs
- ❑ **16,416** students have participated in **1,019 immersive learning** projects impacting **74 Indiana counties**
- ❑ *U.S. News & World Report* listed Military 2 Market (M2M), a partnership with **Crane** that is part of our **entrepreneurship** program, **first** among “10 College Classes That **Impact the Outside World**”
- ❑ **Geothermal** project created **2,300 jobs**; redefined a declining **Hoosier industry**



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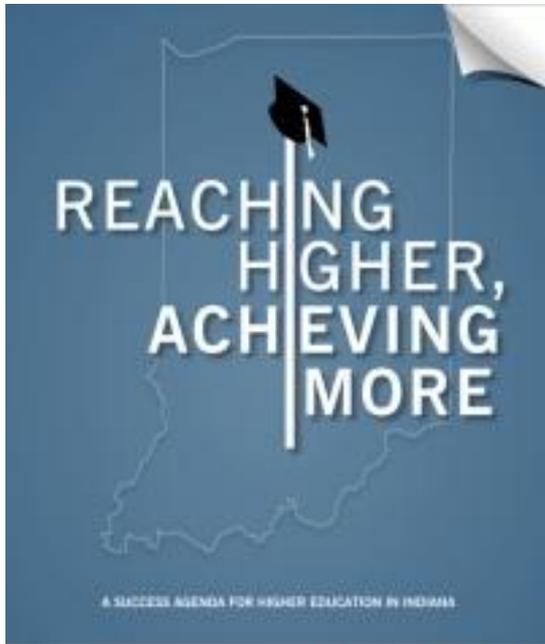
and...

Needs your help



Aligned with ICHE's Strategic Plan

- ❑ Ball State's prior and current strategic plan each have over **100 measurable performance indicators**
- ❑ Most are directly aligned with the Commission's priorities



Completion
Students and the state are not well served by an empty promise of college access without completion.



Productivity
A more productive higher education system will increase student success and safeguard college affordability.



Quality
Increasing college completion and productivity need not come at the expense of academic quality.



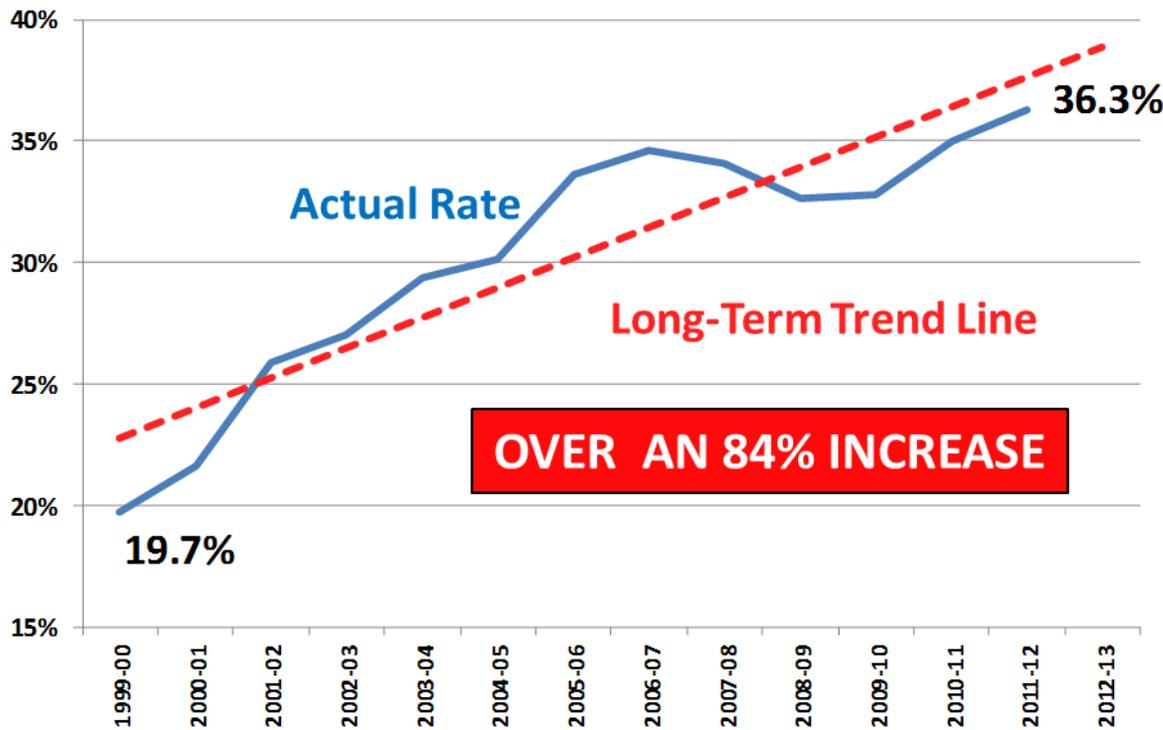
Completion Initiatives

- ❑ **Free tutoring** to all students
- ❑ **Removed** scheduling **impediments**
- ❑ **Reduced minimum credit hours** for degree from 126 to 120
- ❑ Degree in Three program – **graduate in three years**
- ❑ **Career counseling** starting at freshman orientation
- ❑ Restructured tuition – students can **take more hours for less money** with On-line and summer options
- ❑ Completion **Scholarship for graduating in four** or fewer years
- ❑ Financial penalty for credit hours over 144
- ❑ **“Think 15”** campaign



Long-Term Improvement in Graduation Rates

Ball State 4-year Graduation Rate



Chronicle of Higher Education recently reported that Ball State had the **6th highest long-term improvement in 6-year graduation rates** of any public, research university in the nation:

San Diego State

Georgia State

Temple University

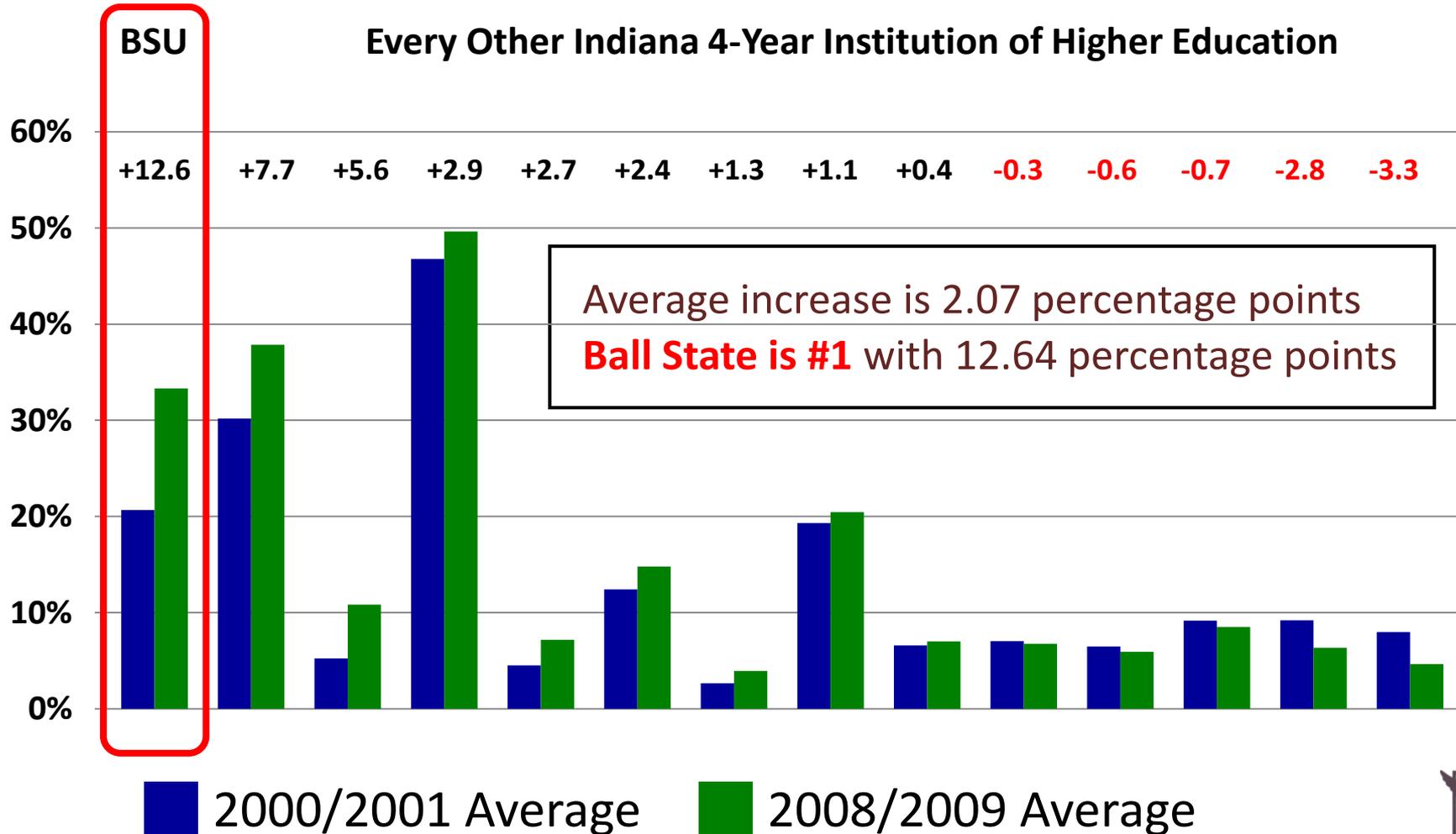
University of Pittsburgh

Ohio State University

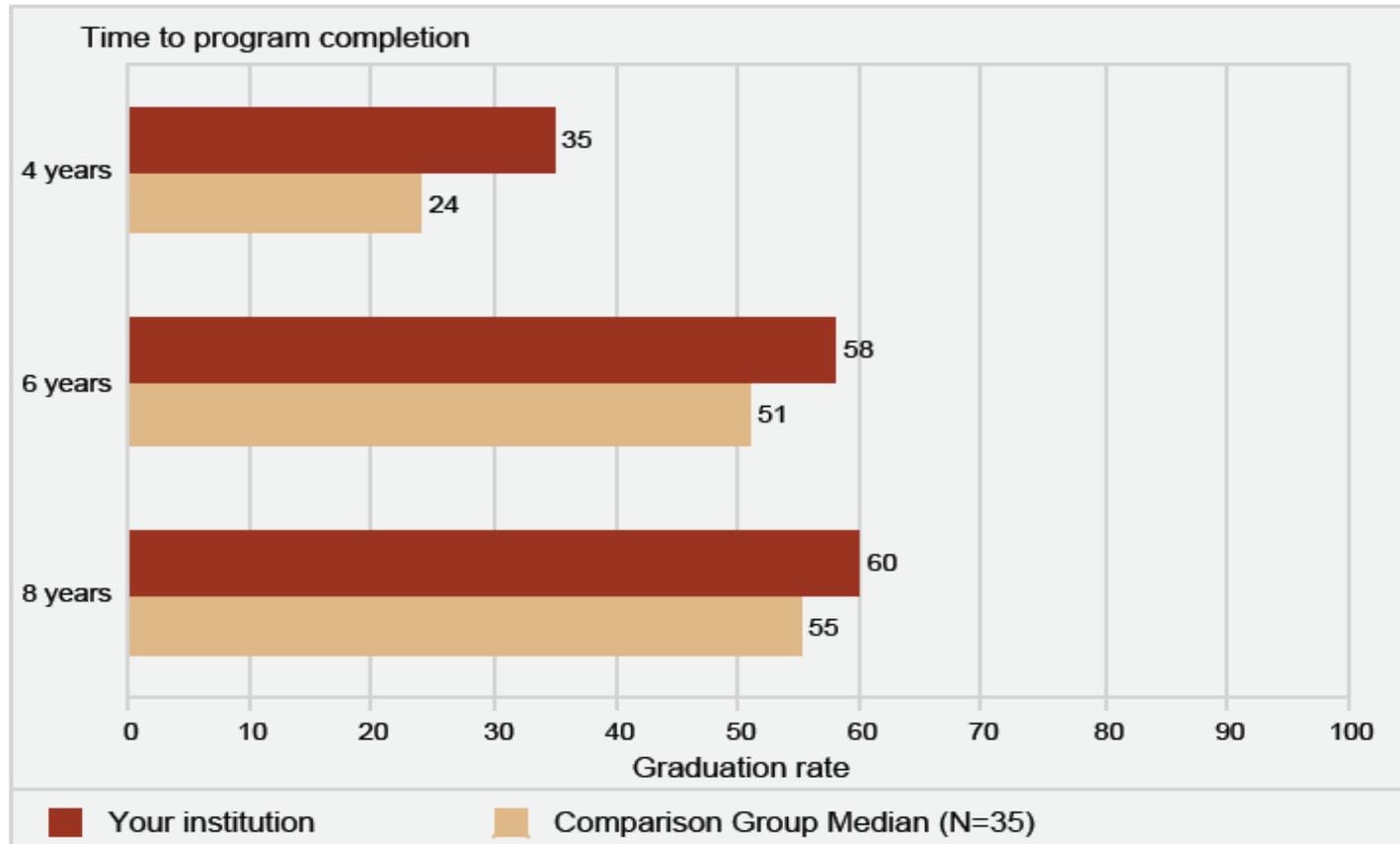
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Comparing Change in 4-Year Graduation Rates



IPEDS Comparison of Graduation Rates



35 peers selected by the U.S. Department of Education
(based on research classification, size, selectivity, cost, etc.)



Productivity: Actions Taken to Cut Costs

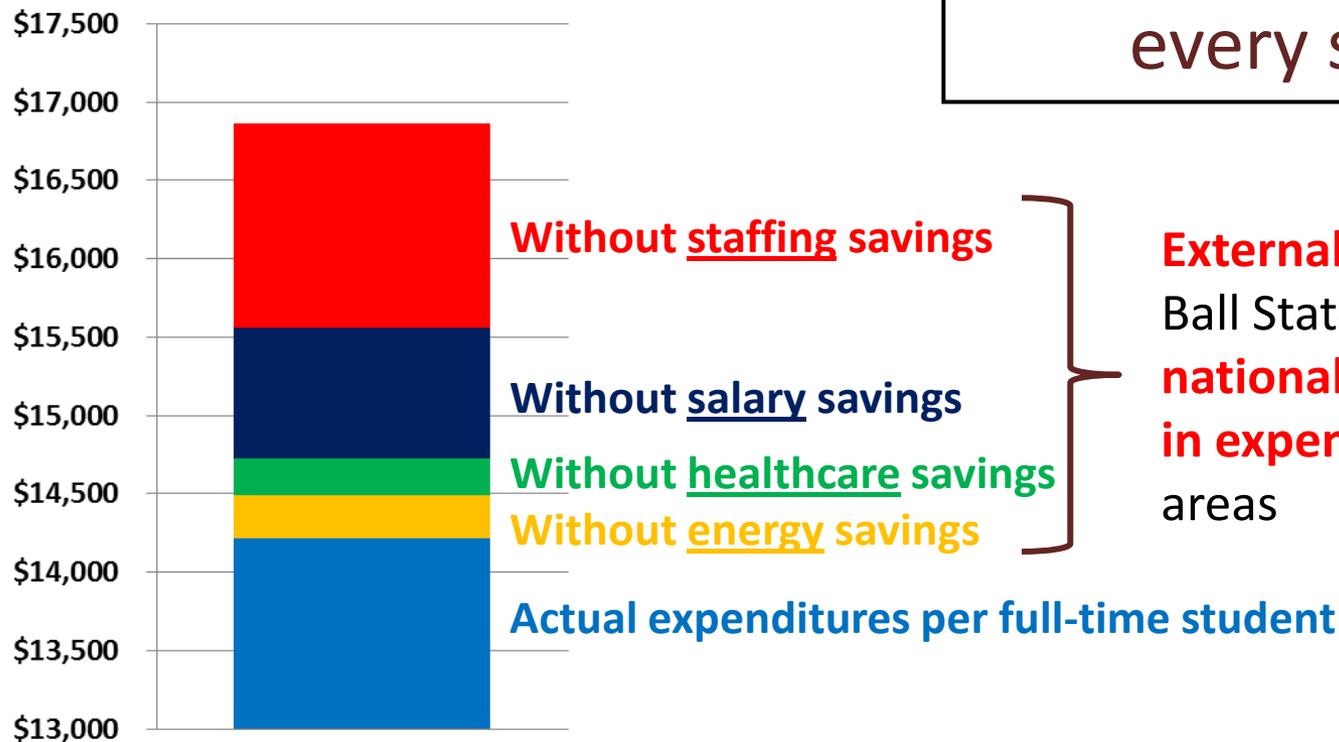
- Implemented hiring freeze/delays
- **Limited salary increases**
- Reduced pension contributions
- **Restructured health care benefits**
- Reduced overtime costs
- Decreased maintenance costs
- Reduced funding for travel
- **Delayed repair/rehabilitation projects**
- Implemented geothermal project
- Joined several purchasing consortiums
- **Educated more students without adding additional space**
- Increased space utilization
- Generated additional external resources
- **Restructured tuition**
- **Reduced minimum credit hours for most degrees**
- Conducted academic program reviews
- Implemented print management policy
- Renegotiated labor contract
- Accelerated wellness initiative
- **Increased summer usage of campus**
- Reduced hardware and software licensing expenses
- **Reduced energy expenses through conservation and operations**



Actions Impact Affordability

FY 2011-12 Expenditures Per FTE

(actual and what we would have spent if we hadn't taken the cost-cutting actions that make us more efficient than national/state peers)

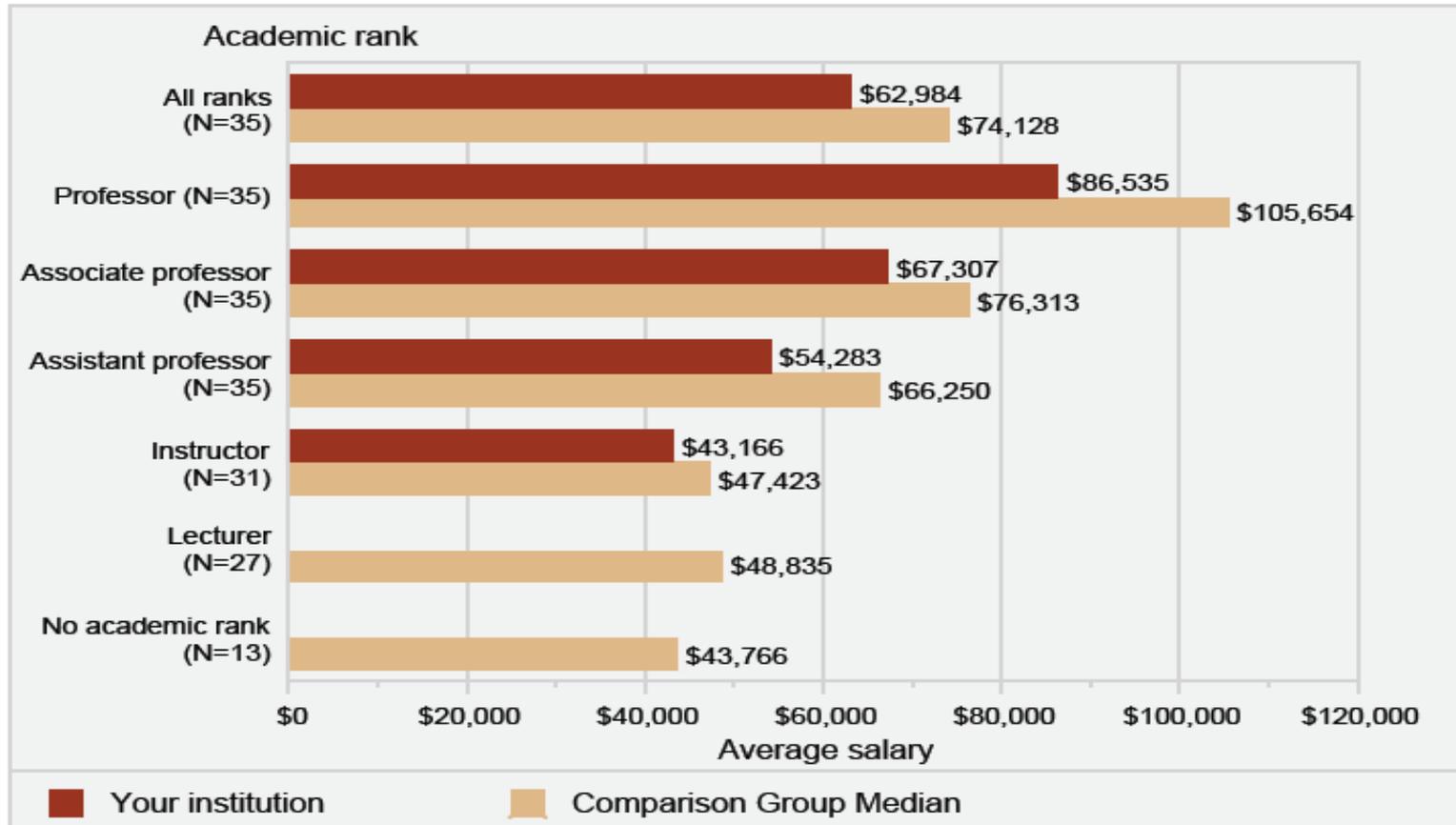


Actions result in **\$2,648**
in **tuition savings** for
every student

External studies show that Ball State is **well below national and state averages in expenses** in these key areas



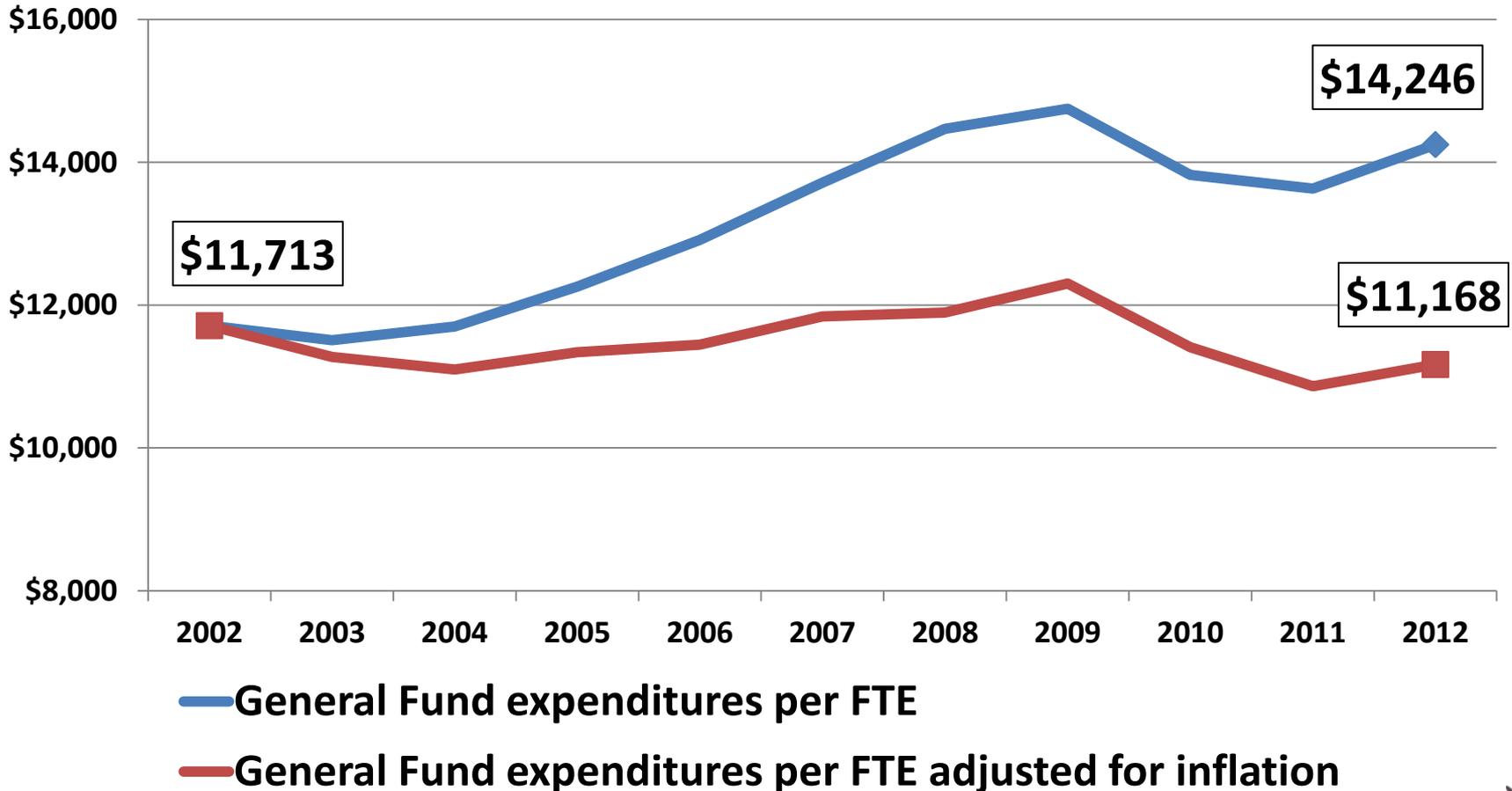
Example: Salary Comparisons



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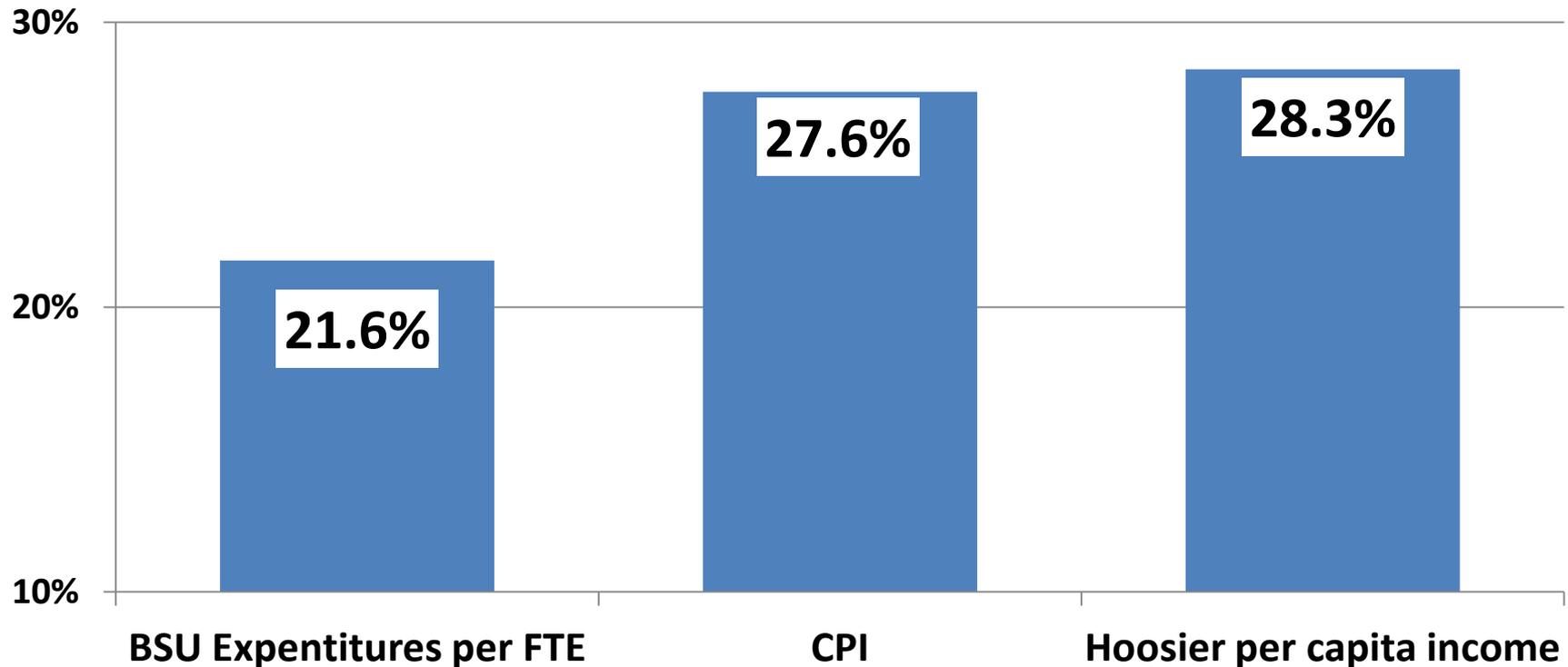


Ball State Spends Less Now than in 2002 (Adjusted for Inflation - CPI)



Ball State Expenditure Growth Compared to CPI and Hoosier Income

Percentage Increase 2001-02 to 2011-12

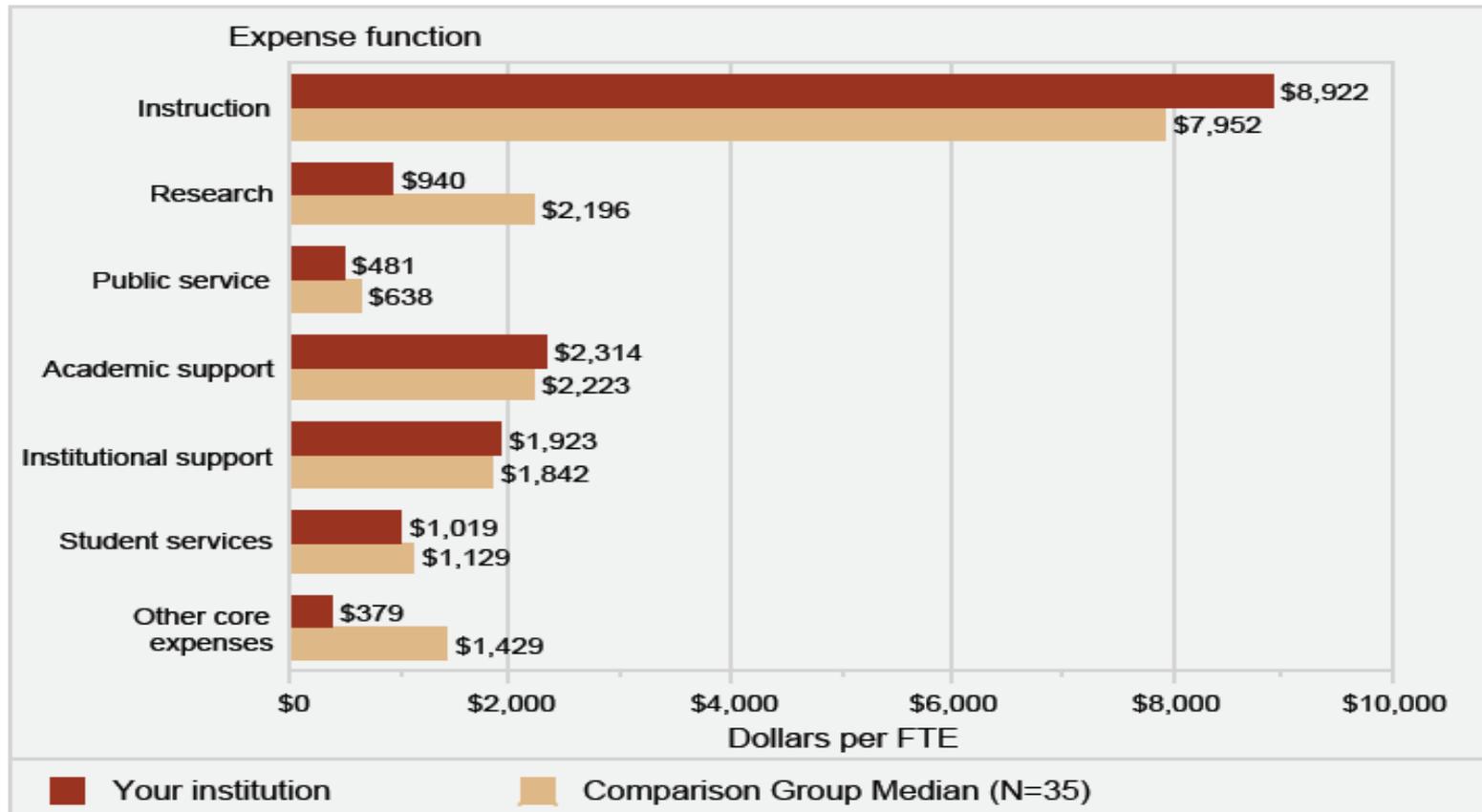


Hoosier **per capita income** grew **31% more** than Ball State expenditures



Where We Spend Our Money

Core expenses per FTE enrollment, by function: Fiscal year 2011



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Education Redefined



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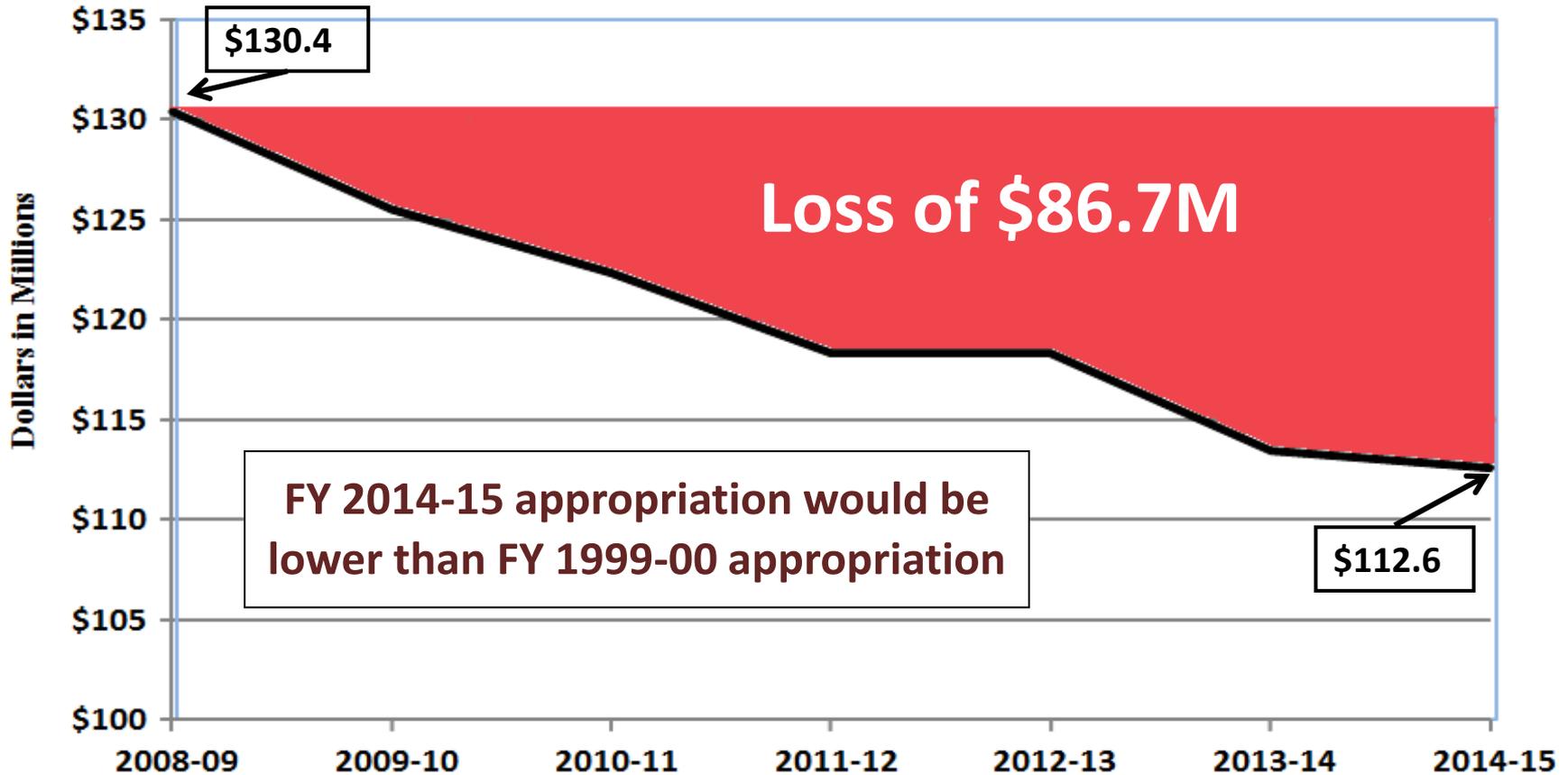


Deep Cuts to Ball State Appropriations

- ❑ 2009-11 Biennium Cuts: **\$15.3M**
- ❑ 2011-13 Biennium Cuts: **\$11.8M**
- ❑ 2013-15 ICHE Proposed Biennium Cuts: **\$11.4M**
 - Ball State **expenditures are already well below Indiana peers** and national averages in areas like salaries, health care, administrative staffing, and energy consumption
 - **Lean organizations are harder to cut**



Cumulative Impact on Operating Appropriations



*Based on August 2012 ICHE preliminary recommendation
Cumulative Loss includes loss of ARRA appropriated funds*

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Current ICHE Proposal

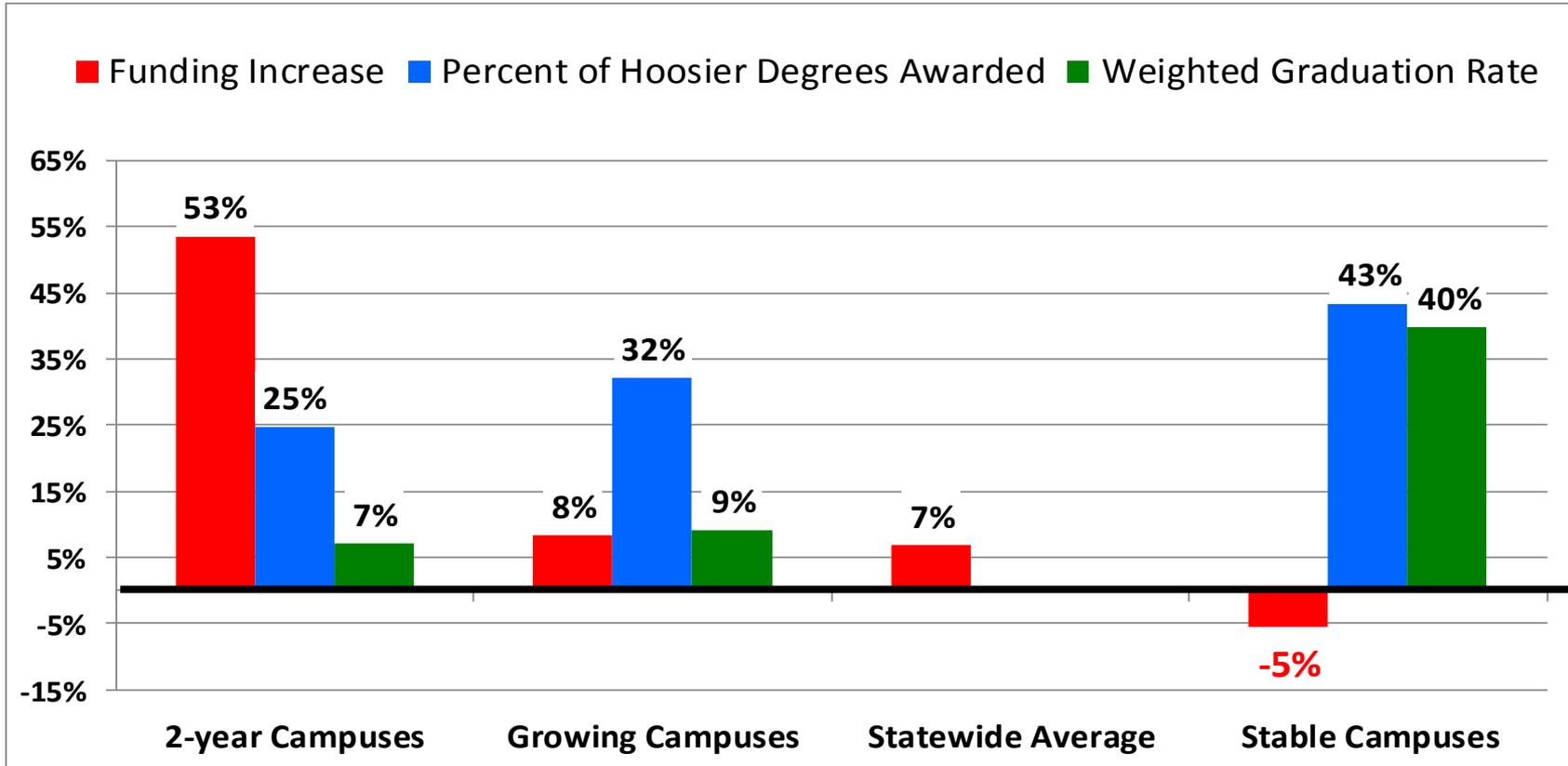
Ball State Operating Appropriations

| | <u>2013-14</u> | <u>2014-15</u> |
|---------------------------|-----------------------|-----------------------|
| 2012-13 Operating Base | \$ 118,723,016 | \$ 118,723,016 |
| Base Reduction | \$ (7,123,381) | \$ (8,310,611) |
| Performance Based Funding | \$ 1,862,065 | \$ 2,172,409 |
| Net Loss | \$ (5,261,316) | \$ (6,138,202) |
| ICHE Recommendation | \$ 113,461,700 | \$ 112,584,814 |
| Percent Cut to Base | -4.43% | -5.17% |

Ball State has **the largest cut** on a percentage and dollar basis



Funds Flowing to 2-Year Campuses



Funding increase: FY 2003-04 to 2014-15
Percent of Hoosier Degree Awarded 2007 cohort (most recent data)
Weighted Graduation rate 2003-04 cohort (most recent data)

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How Much Are the Metrics Worth?

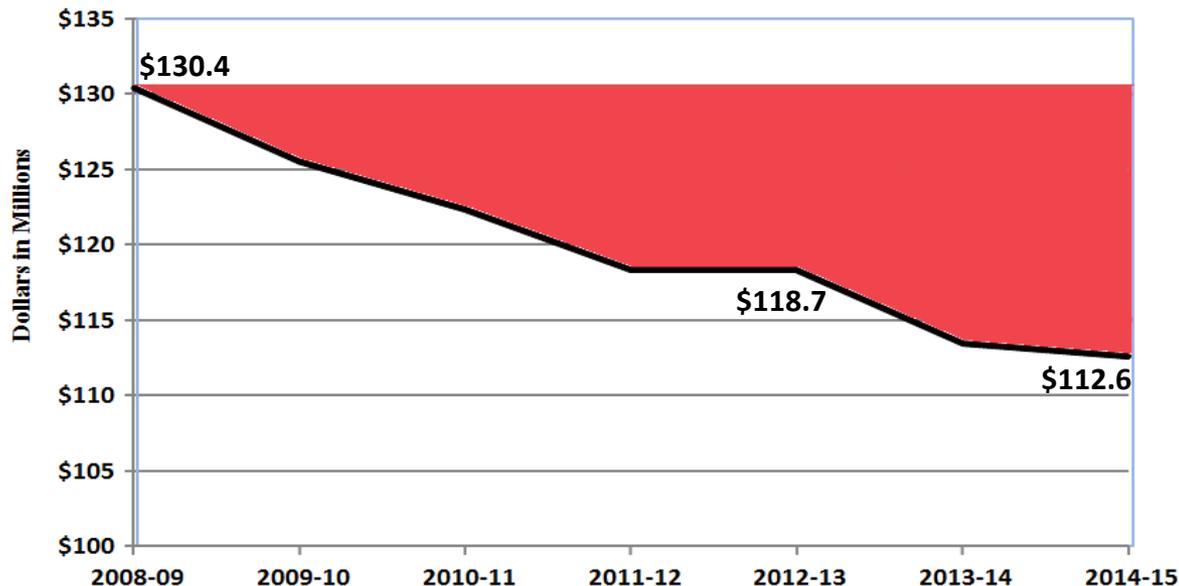
| Potential Value (in baseline funding) | | | | | |
|---|---|------------|-----------------|-----------------|-----------------|
| ICHE Performance Funding Metrics | Certificate | Associates | Bachelors | Masters | Doctoral |
| Overall Degree Completion | \$2,274 | \$4,547 | \$9,094 | \$4,547 | \$2,274 |
| On-Time Degree | | \$13,371 | \$26,741 | | |
| At-Risk Degree (Pell Grant) | \$1,605 | \$3,210 | \$6,420 | | |
| High Impact Degree (STEM +/-) | | | \$22,740 | \$16,372 | \$7,959 |
| Ball State Total Possible (per graduate) | | | \$64,995 | \$20,919 | \$10,233 |
| Maximum Persistence | | \$2,468 | \$2,678 | | |
| Maximum Remedial Success | | \$2,917 | | | |
| Institutionally Defined Productivity Metric | 0, 0.175%, 0.2625%, 0.4375%, or 0.5425% of base appropriation | | | | |

Ball State participates in the **purple** metrics;
total available per graduate is in **red**



Quantity Driven – Can't Recover

- To return to our FY '09 appropriation level, BSU **would need to increase** their:
 - **On-time graduation rate** by **47%**; and
 - **Freshman class** size by **2,000**; and
 - Number of **STEM degrees** awarded by **525%**; and
 - Number of degrees awarded to **Pell** recipients by **300%**.

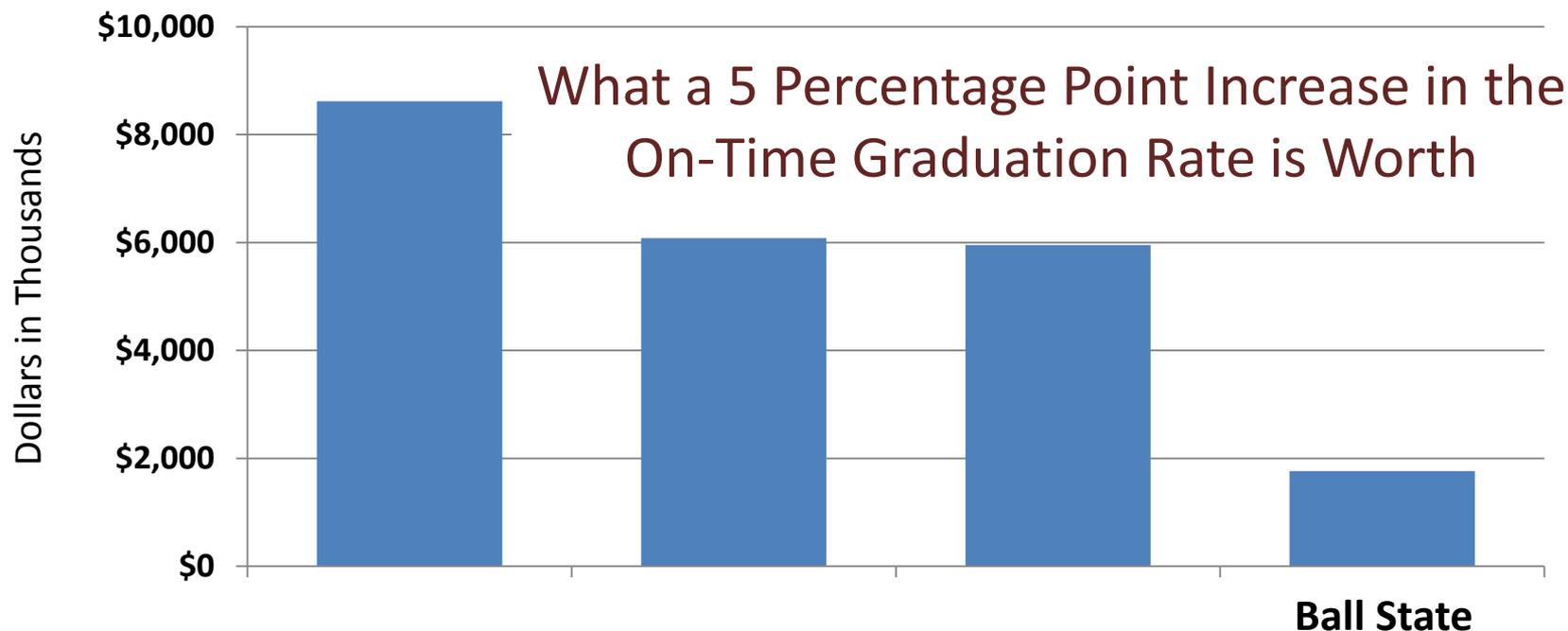


The funding model favors large and growing campuses





Metrics Favor Large and Growing Campuses



- Two additional factors impact an institution's ability to increase their on-time rate:
 1. How high their current rate is; and
 2. How their current rate compares to appropriate peers.
- For a growing campus, a very small increase in percentage can be worth a lot!



Why Ball State Needs Your Help

The **metrics will not work** for institutions that are not large or growing and are **strategically focused** on increasing the **quality** of students and **learning experiences**

Yet

This strategy offers Hoosiers a **distinctive, affordable choice** and prepares them for a **lifetime of employment** in a changing economy



Capital Request

- Capital projects previous authorized
 - Remainder of Phase 2 of the Central Campus Academic Renovation and Utility Improvements project - \$12.2 million
 - College of Applied Sciences and Technology
- Special Repair & Rehabilitation projects
 - Geothermal project - \$33.3 million (\$3.1 previously authorized)
 - STEM and Health Facilities Renovation and Expansion - Phase 1; \$11 million
 - College of Architecture and Planning Building Renovation - \$24 million
 - Expansion of Tunnel Utility Systems - \$10.9 million
- Repair and Rehabilitation
 - Facilities and Infrastructure - \$8.5 million

